GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3249
ANSWERED ON:07.12.2007
PROTECTION OF SHAREHOLDERS
Appadurai Shri M.

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government ensures that Foreign Institutions Investors (FIIs) do not withdraw their share capital without prior notice; and

(b) if so, the details of the measures taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Foreign Institutional Investors (FIIs) Investment in India are regulated under the SEBI (FII) Regulations, 1995 and Notification No.FEMA.20/2000-RB dated 3rd May, 2000. In term of these regulations FII can withdraw their investments at any time, subject to payment of tax, Securities Transaction Tax (STT) etc., as applicable. In some cases, FII investment is subject to lock-in stipulations as applicable to other investors investing under FDI Scheme.